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USDA/RMA FOR ELDON GOULD AND JAMES CALLAN
EU POSTS PASS TO AGRICULTURE AND ECON
GENEVA FOR USTR, ALSO AGRICULTURE

E.O. 12958: N/A

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SUBJECT: Widespread interest in US crop insurance programs

¶1. Summary: James Callan, Associate Administrator, Risk Management Agency, USDA, visited Paris November 13 and 14 and met with representatives from various agricultural sectors and French parliamentarians to discuss the US crop insurance program. All interlocutors expressed strong interest in US crop insurance programs as a method of risk management. End Summary

¶2. France has a small, but growing, crop insurance program (see FAS Paris GAIN Report FR6070). In anticipation of the 2008 EU CAP review and 2013 reform, French policy makers are open to considering new methods of providing income support to farmers and reducing the financial burden to the state-funded disaster fund. Large French insurance companies are also favorable to the crop and income insurance market as a potential new market.

¶3. Parliamentarians from both the National Assembly and the Senate showed particular interest in US pilot insurance programs covering livestock production and forage crop risks as these are already underway in France as well. They were also keen to discuss how subsidies to U.S. crop insurance programs are classified relative to the WTO "boxes".

¶4. Mr. Callan also made a well-received presentation to the Societe des Agriculteurs de France, an influential French farmers' think tank. The audience included farm leaders, academics, insurance industry representatives and journalists. His presentation was followed by a lengthy Q&A session indicating the audience's interest in this subject. The weekly newsletter, AGRAPRESSE, widely read in the French farm sector, published a positive report on Mr. Callan's conference.

¶5. FAS Paris will continue monitoring the development of crop insurance programs in France as well as policy makers' initiatives on these issues. FAS Paris supports bringing more U.S. crop insurance experts to France, once the 2007 farm bill is finalized, and in advance of the EU's 2008 "health check" of the CAP.

¶6. Comment: The French, from President Chirac down, are resistant to the Commission 2008 "Health Check" initiative. However, at the same time, they would very much like to have an insurance program that appears more as a safety net. This enticement may help bring

them to the table. End Comment.

Stapleton